



STATE OF CALIFORNIA  
**FRANCHISE TAX BOARD**  
**Legal Branch**  
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KATHLEEN CONNELL  
Chair

CLAUDE PARRISH  
Member

B. TIMOTHY GAGE  
Member

August 21, 2001

Information Letter No. 201151

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Dear \*\*\*\*\*.

This is in response to your two inquiries of \*\*\*\*\* regarding the tax treatment of the Retired Serviceman's Family Protection Plan (RSFPP), the Survivor Benefit Plan (SBP), the Supplemental Survivor Benefit Plan (SSBP) and military retired pay (including disability retired pay). A special report, entitled "\*\*\*\*\*" accompanied each inquiry. You requested validation and updating of the information reflected therein regarding these subjects.

California income tax law conforms to the federal income tax treatment of RSFPP, SBP, SSBP, and military retired pay, including disability retired pay and disability compensation. The information contained in that portion of your report under the headings "\*\*\*\*\*" and "\*\*\*\*\*" regarding California is correct. California does not impose an inheritance tax or a gift tax. California's estate tax, a "pick-up estate tax," is equal to the state death tax credit allowed under federal estate tax law.

Taxpayers may call the Franchise Tax Board's automated toll-free telephone service at 1-800-338-0505 or 1-916-845-6600 24 hours a day, seven days a week to:

- Get recorded answers to many of your questions about California taxes
- Order California or federal income tax forms
- Order Homeowner and Renter Assistance forms
- Find out about your current year personal income tax refund
- Find out about your current year Homeowner and Renter Assistance payment
- Check your current balance due
- Verify your current year estimate payments and other recent payments

This service is available in English and Spanish to callers with touch-tone telephones. The address for obtaining more detailed information is:

Franchise Tax Board  
PO Box 942840  
Sacramento, CA 94240-0040

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Additional information is also available by phone as follows:

Calls from within the United States	1-800-852-5711
Calls from outside the United States (not toll-free)	1-916-845-6500
For hearing impaired	1-800-822-6268

Tax forms for the current year and several prior years are available for downloading from the Franchise Tax Board website. The address for the Franchise Tax Board's website is <http://www.ftb.ca.gov>.

Taxpayers are permitted to file forms generated by approved computerized tax programs. Taxpayers are also permitted to file electronically with an authorized tax preparer or an approved electronic filing service. We are also exploring other options for electronic filing.

California does use the Kansas/California method for calculating the tax of a nonresident. In general, taxpayers are required to use the same filing status that they used on their federal return for the same year. This rule does not apply if a married couple filed a joint federal return and one of the spouses was a member of the armed forces on active duty or was a nonresident for the entire year. In these cases, taxpayers may file California income tax returns with the filing status as married filing separately even if a joint federal return was filed.

As a result of a recently enacted law, unlike federal law, California allows certain married individuals to file separate amended returns after filing a joint California return. The option to file separate amended returns is limited to those married individuals that could have filed a separate California return even if a joint federal return was filed. The election to file a joint California return is no longer irrevocable for those taxpayers.

I hope this information is responsive. If you need additional information, please contact me.

Sincerely,

Patrick J. Kusiak  
Tax Counsel IV